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2005 state budget agreements focus on job growth and economic stimulation while protecting core education funding

LANSING – Michigan will be in a better position to create jobs in the new economy because of the 2005 state budget agreements reached today in Lansing, said Sen. Gerald Van Woerkom, R-Norton Shores.

“Long-term budget stability and job creation are vital to improving Michigan’s economic outlook,” Van Woerkom said. “Preserving services like the Agricultural Experiment Station and the Cooperative Extension while promoting initiatives aimed at helping create new jobs will help spur economic growth in Michigan.”

The Senate Republicans pushed hard for passage of their JOBS Action Plan as a way to improve Michigan’s economic future. The five most recently signed GOP proposals offer tax incentives to small and mid-sized businesses that invest in job creation. They are the latest in a series of 54 bills signed in less than a year that are designed at spurring economic growth.

Van Woerkom said Republicans also secured additional funding for Michigan’s fledgling life sciences industry, doubling it from \$15 million to \$30 million in 2005.

“Strengthening the life sciences industry in Michigan will help our state adapt to today’s changing economy and promote job growth,” Van Woerkom said.

The budget agreement announced today culminates nearly six months of negotiations between the administration and the Legislature and closes a projected \$1.045 billion deficit. The agreement sets state general fund spending at \$8.7 billion in 2005. Eliminating the deficit is achieved through \$450 million in new revenue from increased cigarette and casino taxes, and nearly \$595 million in spending cuts and budget accounting adjustments.

The agreement also keeps the state’s foundation aid payment to public schools at its current level of \$6,700 per pupil while ensuring growing school districts receive sufficient funding to meet increased demand.

“A strong workforce starts with a solid education system,” Van Woerkom said. “Preserving the foundation payments to our public schools will help them meet the changing needs of tomorrow’s leaders.”

Legislators will put the final touches on the 2005 budget when they return to session on Sept. 8 and will finish before the next fiscal year starts on Oct. 1, 2004.

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